

Sports Properties Acquisition Corp.  
Form DEFA14A  
December 07, 2009

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

**SPORTS PROPERTIES ACQUISITION CORP.**

(Name of Registrant as Specified In Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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x No fee required.

.. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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This filing consists of an updated investor presentation made by Andrew Murstein, Vice Chairman and Secretary of Sports Properties Acquisition Corp., Alvin Murstein and Michael Kowalsky in a series of meetings beginning December 7, 2009 in connection with the proposed transactions contemplated by the Framework Agreement, dated as of November 18, 2009, between Sports Properties Acquisition Corp. and Medallion Financial Corp., pursuant to which Sports Properties Acquisition Corp. will continue its business as a corporation that acquires and actively manages transferable licenses that permit the operation of taxicabs in major metropolitan cities in the United States, or medallions, leases the medallions to fleet taxi operators, operates, on a selective basis, the taxicab fleets associated with those medallions and provides a range of services to and otherwise participates in the taxi industry. The investor presentation contained in this filing has been updated from the investor presentation previously filed as part of Sports Properties Schedule 14A containing soliciting material pursuant to Rule 14a-12 of the Securities Exchange Act of 1934 filed on December 2, 2009 to (i) delete slide 13 entitled Historical Medallion Price Appreciation: NYC and to replace it with new slide 13 entitled NYC Corporate Medallion Price Appreciation vs. Various Asset Classes, (ii) insert a new slide 16 entitled Hypothetical Combined Example and (iii) to delete existing slide 16 entitled Financing and Dividend Policy and replace it with new slides 17 and 18.

#### Forward-looking statements

This filing contains forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Sports Properties Acquisition Corp.'s actual results may differ from its expectations, estimates and projections and, consequently, you should not rely on these forward looking statements as predictions of future events. Words such as expect, estimate, project, budget, forecast, anticipate, intend, plan, may, will, could, should, believes, predicts, potential, continue, intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Sports Properties Acquisition Corp.'s expectations with respect to future performance, anticipated financial impacts of the proposed transactions, certificate of incorporation and warrant amendments and related transactions; approval of the proposed certificate of incorporation and warrant amendments and related transactions by stockholders and warrant holders, as applicable; the satisfaction of the closing conditions to the proposed transactions, certificate of incorporation and warrant amendments and related transactions; and the timing of the completion of the proposed transactions, certificate of incorporation and warrant amendments and related transactions.

These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside Sports Properties Acquisition Corp.'s control and difficult to predict. Factors that may cause such differences include, but are not limited to, the following:

Regulatory changes affecting the taxicab industry;

The level of rental revenue Sports Properties Acquisition Corp. achieves from its assets;

The market value and the supply of, and demand for, taxicab medallions;

The challenges that Sports Properties Acquisition Corp. may face as a result of the current economic slow-down;

The conditions in the local markets in which Sports Properties Acquisition Corp. operates, as well as changes in national economic and market conditions;

Sports Properties Acquisition Corp.'s ability to lease and acquire taxicab medallions;

The level of revenue Sports Properties Acquisition Corp. achieves from its fleet operations;

Sports Properties Acquisition Corp.'s ability to enter into new leases or to renew leases with existing lessees of its taxicab medallions at favorable rates;

The competitive landscape impacting the taxicab industry;

Sports Properties Acquisition Corp. s relationships with its lessees and their financial condition;

Sports Properties Acquisition Corp.'s use of leverage as part of its financing strategy and its ability to make payments or to comply with any covenants under any borrowings or other debt facilities Sports Properties Acquisition Corp. obtains;

The growth or continuing importance of taxicabs located in the major metropolitan areas in which Sports Properties Acquisition Corp. invests;

The level of Sports Properties Acquisition Corp.'s operating expenses, including amounts Sports Properties Acquisition Corp. is required to pay to its management team;

Sports Properties Acquisition Corp.'s net realized gain or loss on the sale or other disposition of taxicab medallions; and

Changes in interest rates that could impact the market price of Sports Properties Acquisition Corp.'s common stock and the cost of its borrowings.

Other factors include the possibility that the transactions contemplated by the Framework Agreement do not close, including due to the failure to receive required stockholder and warrant holder approvals, or the failure of other closing conditions.

Sports Properties Acquisition Corp. cautions that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in Sports Properties Acquisition Corp.'s most recent filings with the SEC and in the definitive proxy statement to be used in connection with the transactions contemplated by the Framework Agreement, as described below. All subsequent written and oral forward-looking statements concerning Sports Properties Acquisition Corp., the Framework Agreement, the related transactions or other matters and attributable to Sports Properties Acquisition Corp. or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Sports Properties Acquisition Corp. cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Sports Properties Acquisition Corp. does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

#### **Additional Information**

Sports Properties Acquisition Corp. has filed a preliminary proxy statement with the SEC in connection with the proposed transactions, certificate of incorporation amendments and the warrant amendments and to mail a definitive proxy statement and other relevant documents to Sports Properties Acquisition Corp.'s stockholders and warrant holders. Sports Properties Acquisition Corp.'s stockholders and warrant holders and other interested persons are advised to read the preliminary proxy statement, and, when available, amendments thereto, if any, and the definitive proxy statement in connection with solicitation of proxies for the special meetings of Sports Properties Acquisition Corp.'s stockholders and warrant holders to be held to approve the proposed transactions, certificate of incorporation amendments and the warrant amendments because this proxy statement will contain important information about Sports Properties Acquisition Corp. and the proposed transactions. Such persons can also read Sports Properties Acquisition Corp.'s final prospectus from its initial public offering dated January 17, 2008, its annual report on form 10-K for the fiscal year ended December 31, 2008, which was filed with the SEC on March 27, 2009, as amended (Annual Report) and other reports as filed with the SEC, for a description of the security holdings of Sports Properties Acquisition Corp.'s officers and directors and their affiliates and their other respective interests in the successful consummation of the proposed transactions. The definitive proxy statement will be mailed to stockholders and warrant holders as of a record date to be established for voting on the proposed transactions, certificate of incorporation amendments, the warrant amendments and related transactions. Stockholders and warrant holders will also be able to obtain a copy of the preliminary and definitive proxy statements, without charge, once available, at the SEC's Internet site at <http://www.sec.gov> or by directing a request to: Sports Properties Acquisition Corp., 437 Madison Avenue New York, New York 10022, Attention: Andrew Murstein, telephone (212) 328-2100.

**Participation in Solicitation**

Sports Properties Acquisition Corp. and its directors, executive officers, affiliates and other persons may be deemed to be participants in the solicitation of proxies for the special meetings of Sports Properties Acquisition Corp. s stockholders and Sports Properties Acquisition Corp. s warrant holders to approve the proposed transactions. A list of the names of those directors and officers and descriptions of their interests in Sports Properties Acquisition Corp. is contained in Sports Properties Acquisition Corp. s Annual Report. Sports Properties Acquisition Corp. s stockholders and warrant holders may also obtain additional information about the interests of its directors, officers and stockholders in the transactions by reading the preliminary proxy statement and other relevant materials to be filed by Sports Properties Acquisition Corp. with the SEC when they become available.

Investor Presentation  
Sports Properties Acquisition Corp. ( HMR )  
December 2009



Disclaimer  
Disclaimer  
SAFE HARBOR  
Forward-looking statements  
This  
investor  
presentation  
includes  
references  
to  
Medallion  
Financial  
Corp.

( Medallion  
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or  
TAXI ),  
Sports  
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( Sports  
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Sports  
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Corp.,  
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Avenue,  
38th  
Floor,  
New  
York,  
New  
York  
10022,  
Attention:  
Andrew  
Murstein,  
Telephone  
(212)  
328-2100.  
We  
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become  
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1

Transaction Overview

Transaction Overview

1.03x

(1)

(Less than traditional IPO)

Price / Book Value:

Transaction:

Convert HMR to an operating company; Medallion Management

Sponsor:

Medallion Financial to provide management and other services

Structural Improvements:

All Sponsor shares cancelled; 5.375 million shares eliminated

Warrants: increase exercise price and duration; eliminate

cashless exercise feature of IPO warrants

Deferred underwriting fee: reduced by over 75%

Business Purpose:

Acquire and manage taxicab medallions and operators

Initial Book Value:

Up to \$209 million; minimum of \$100 million

Ticker / Exchange:

HMR

/ NYSE Amex

HMR Stock Price:

\$9.90 (November 30, 2009)

Expected Timetable:

Record Date:

Shareholder / Warrant holder meeting:

Closing:

Early January

Mid-January

Mid-January

(1)

Note: Assumes initial book value of \$209 million (see Appendix)

2

Superior and relatively uncorrelated asset returns available to owners with historical ROEs of over 30%

Only public company to primarily own and operate medallions

Attractive ancillary business opportunities exist across the taxicab industry

Advantageous tax treatment of medallions enables favorable distributable income

Substantial founder investment with strong alignment of interests

Proprietary access to the medallion market; local presence in key markets

Respected management team with nearly 100 years of combined experience in the taxicab industry

Key Investment Highlights

Key Investment Highlights

3

Acquire  
assets  
in  
diverse  
groups  
of  
markets  
Will  
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focus  
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New

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buying  
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with  
local  
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car  
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Business Strategy  
4

#### Overview of Taxicab Medallions

#### Overview of Taxicab Medallions

A taxicab medallion is a regulated license, issued to operate a taxicab and designates the exclusive right to pick up street hails in many major metropolitan markets

In 1937, NYC issued 11,787 medallions for \$10 each; today there are 13,237 medallions, of which the corporate or mini-fleet

medallions sell for approximately \$750,000 each

Given its importance to the welfare of the general public, the industry is highly regulated by local city councils and municipal regulatory bodies

that:

Regulate and control the number of medallions in existence

License drivers

Establish fares

Monitor complaints and enforce regulations

Approve all transfers of medallions

As a measure to control congestion, new medallions are rarely issued

The regulation of the number of medallions has had the following effects:

Consistent medallion price appreciation

Active secondary market for medallions

Variety of lenders to prospective medallion owners

Competes on the basis of price and convenience

5

Compelling Opportunity

Compelling Opportunity

Taxi medallions have historically provided owners with an opportunity to earn attractive returns versus other asset classes

Medallions are liquid assets and can provide current lease income and offer the potential for price appreciation

Municipal regulation of the local medallion market creates a significant barrier to entry

The medallion market is fragmented, creating opportunities for knowledgeable operators with capital

Medallions are a depreciable asset for tax purposes

Medallions can be levered at attractive rates to enhance equity returns

Taxicab fleet operators currently can be purchased at less than 2x EBITDA



Drivers of Taxi Medallion Values

Drivers of Taxi Medallion Values

Driver

Commentary

Stable regulatory  
environment

Medallion supply is regulated by local municipalities

Supply and demand  
for taxi service

Competes against mass transportation, black cars and liveries

Fares

Regulated by local authorities, have risen steadily over time

Driver availability

Competes against other employment opportunities for drivers

Access to capital

Ability to finance the acquisition of a medallion

Secondary market

Ability for owners to sell in a liquid market

Ready universe of

sellers

Turnover rate of medallions creates supply for prospective

owners

Traffic and

environmental

Traffic control and congestion pricing are potential factors

Technology

Mandatory credit card readers may boost ridership

7



Experienced Management Team  
Experienced Management Team  
Cohesive team working together for more than 20 years  
Medallion  
Financial s  
executive  
management  
team  
has  
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loan  
financing  
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this  
industry

Name

Title

Experience

Industry Experience

Alvin Murstein

Chairman /

CEO

40+ years

Chairman and CEO of Medallion Financial since  
inception and predecessor companies since 1979.

Executive in the taxi cab industry for over 40  
years

Andrew Murstein

President

20 years

President of Medallion Financial since inception  
in 1995

Larry Hall

CFO

10 years

CFO of Medallion Financial since 2004. Previous  
experience at Citibank, Wells Fargo and Arthur

Andersen

Michael Kowalsky

EVP

20 years

EVP of Medallion Financial and President of  
Medallion Funding Corp. (lending subsidiary of  
Medallion Financial) since 1996

Medallion Financial s

Board includes: Former Governor of New York Mario Cuomo, Baseball Hall of

Famer Hank Aaron and former United States Senator and Governor of Connecticut Lowell Weicker

8

Overview of Medallion Financial  
Overview of Medallion Financial  
Medallion  
Financial  
is  
a  
leading  
lender  
to  
the  
taxi  
industry  
No

competing  
businesses:  
Medallion  
Financial  
does  
not  
purchase  
medallions  
or  
taxicab  
fleets  
Transitional  
Services  
to  
be  
provided  
by  
Medallion  
Financial  
Medallion  
Financial  
will  
charge  
a  
transitional  
services  
fee  
of  
1.0%  
of  
book  
equity  
(not  
assets)  
for  
management,  
accounting,  
office  
space  
and  
various  
back  
office  
services;  
there  
are  
no  
extra  
incentive  
fees

This  
arrangement  
will  
give  
Medallion  
Management  
access  
to  
a  
team  
of  
experienced  
professionals  
that  
will  
allow  
growth  
of  
its  
business  
with  
the  
immediate  
benefit  
of  
a  
larger  
and  
more  
sophisticated  
infrastructure  
without  
the  
full  
costs  
normally  
associated  
with  
such  
an  
infrastructure  
Medallion  
Financial s  
motto  
is  
In  
niches  
there  
are  
riches

Medallion  
Financial  
has  
lent  
over  
\$3  
billion  
to  
the  
New  
York  
taxicab  
medallion  
market  
and  
its  
principal  
losses  
have  
been  
9

Medallion Financial Loan Losses  
Medallion Financial Loan Losses  
(This page intentionally left blank)  
10



Alignment of Interests

Alignment of Interests

None

of

the

officers

of

the

Company

(Chairman,

CEO,

CFO

and

EVP)  
are  
receiving  
compensation  
from  
the  
Company  
Medallion  
Financial  
owns  
warrants  
that  
will  
be  
amended  
to  
have  
a  
\$12  
per  
share  
exercise  
price,  
over  
20%  
above  
current  
prices  
Medallion  
Financial  
has  
invested  
nearly  
\$7  
million  
and  
the  
stock  
must  
appreciate  
over  
32%  
over  
trust  
value  
(\$9.96)  
before  
it  
breaks  
even

on  
its  
investment  
11

Industry  
Industry  
ripe  
ripe  
for  
for  
consolidation;  
consolidation;  
no  
no  
single  
single  
operator

operator  
owns  
owns  
more  
more  
than  
than  
1%  
1%  
of  
of  
taxis  
taxis  
nationwide  
nationwide  
Large Market Opportunity  
Large Market Opportunity  
New York  
New York  
13,237 licenses  
13,237 licenses  
Chicago  
Chicago  
6,999 licenses  
6,999 licenses  
Atlanta  
Atlanta  
1,600 licenses  
1,600 licenses  
South FL  
South FL  
2,061 licenses  
2,061 licenses  
Denver  
Denver  
1,042 licenses  
1,042 licenses  
Los Angeles  
Los Angeles  
2,300 licenses  
2,300 licenses  
San Francisco  
San Francisco  
1,381 licenses  
1,381 licenses  
Boston  
Boston  
1,825 licenses  
1,825 licenses  
Philadelphia

Philadelphia

1,600 licenses

1,600 licenses

Cambridge

Cambridge

257 licenses

257 licenses

Medallions in the US > \$12 billion in Value

Medallions in the US > \$12 billion in Value

Source: Regional regulatory entities

Newark

Newark

600 licenses

600 licenses

12

Historical Medallion Price Appreciation: NYC

Historical Medallion Price Appreciation: NYC

(1)

(1)

13

(1)

Source:

New

York

City

Taxi

and

Limousine

Commission.

Market

data

from

Bloomberg

as

of

12/04/2009

(2)

Past price appreciation may not be indicative of future price appreciation

NYC Corporate Medallion Price Appreciation vs. Various Asset Classes

Corporate Medallions

9.8%

S&P 500

7.3%

Dow Jones Industrial Average

6.9%

Gold

5.9%

Compounded

Annual

Growth

Rates

(1947-2009)

(2)



Price (1 Corp.  
Medallion):  
\$750,000  
(Bulk purchase expected  
to be below market)  
Equity Funding:  
\$250,000  
Debt Funding:  
\$500,000  
Lease Revenue:  
\$ 30,000  
Interest Expense:  
\$ 23,000

Historical Avg.

Appreciation:

\$ 73,500

(1947

2009 CAGR of 9.8%)

Returns:

\$ 7,000 + \$ 73,500 = \$ 80,500

\$250,000

ROE:

32%

Hypothetical Example of Medallion Economics: NYC

Hypothetical Example of Medallion Economics: NYC

Note:

This

hypothetical

is

an

example

of

the

type

of

analysis

Medallion

Management s

management

team

might

perform

in

assessing

whether

to

purchase

medallions

and

is

for

illustrative

purposes

only,

does

not

represent

actual

or

expected

returns

from

the

medallions  
Medallion  
Management  
may  
purchase.  
Actual  
returns  
will  
depend  
on  
Medallion  
Management's  
ability  
to  
secure  
leases  
for  
the  
medallions,  
achieve  
anticipated  
lease  
revenues  
and  
the  
cost  
of  
debt  
financing.  
Actual  
returns  
will  
also  
depend  
on  
any  
future  
appreciation  
in  
the  
asset  
price  
of  
the  
medallions  
acquired  
by  
Medallion  
Management.  
The

historical appreciation shown in this example is based on the compounded annual growth rates in the value of medallions over the 62-year period beginning January 1, 1947. There can be no assurance that medallions valuations will continue to increase at historical rates or at all. Medallion values have declined in

certain  
years  
and  
could  
decline  
again.  
For  
a  
discussion  
of  
risks  
that  
may  
affect  
our  
medallion  
ownership  
leasing  
economics,  
please  
see  
slide  
1  
and  
the  
section  
entitled  
Risk  
Factors  
in  
our  
Proxy  
Statement  
filed  
with  
the  
SEC.

In considering a medallion purchase in individual markets, our management team will, as illustrated by the table below, assess the return profile from the assets taking into account lease income that may be earned from the medallion, availability and cost of debt financing and the potential for appreciation in medallion prices based on the historical record in the market:

14

(1)  
This  
hypothetical  
is  
an  
example  
of  
the  
type  
of  
analysis  
Medallion  
Management s

management  
team  
might  
perform  
in  
assessing  
whether  
to  
purchase  
fleet  
operations  
and  
is  
for  
illustrative  
purposes  
only  
and  
does  
not  
represent  
actual  
or  
expected  
returns  
from  
the  
purchase  
of  
fleet  
operations  
by  
Medallion  
Management  
and  
should  
not  
be  
relied  
upon  
for  
any  
investment  
decision.  
Actual  
returns  
will  
depend  
on  
Medallion

Management's  
ability  
to  
purchase  
fleet  
operations,  
lease  
the  
medallions  
and  
achieve  
anticipated  
lease  
revenues  
and  
operating  
expenses.  
This  
hypothetical  
is  
based  
on  
certain  
assumptions,  
including  
assumptions  
relating  
to  
acquisition  
price  
of  
taxi  
leases.  
For  
a  
discussion  
of  
risks  
that  
may  
affect  
our  
medallion  
ownership  
leasing  
economics,  
please  
see  
slide  
1



and  
the  
section  
entitled  
Risk  
Factors  
in  
our  
Proxy  
Statement  
filed  
with  
the  
SEC.  
(2)  
Data  
provided  
to  
Medallion  
Management  
by  
fleet  
operators  
in  
New  
York  
City  
and  
is  
based  
on  
2009  
averages.

Hypothetical Example of Taxi Fleet Economics: NYC

Hypothetical Example of Taxi Fleet Economics: NYC

(1)

(1)

EBITDA per Car per Year

Other Operating Costs

Insurance

Vehicle Costs

Medallion Owner Lease

Payments

Operating Expenses

Revenues (*\$120 per shift*)

Fleet Taxi Economics

Fleet Taxi Economics

(2)

(2)

\$ 18,000

\$  
(7,000)  
\$  
(10,000)  
\$  
(13,000)  
\$  
(30,000)  
\$  
78,000  
Acquisition Price/  
EBITDA  
Acquisition Price per  
Taxi Lease  
Fleet Management Valuation  
Fleet Management Valuation  
Less than 2.0x  
\$ 30,000

Our management team's assessment will also analyze the ability of medallion lessees to support lease payments based on an analysis of fleet owners business economics, as illustrated by the following table:

Our management team will also assess possible purchases of fleet operations which we believe in New York City may be available for purchase at less than 2X EBITDA as illustrated by the following:

15  
Assumes  
Assumes  
Medallions  
Medallions  
are  
are  
leased  
leased  
by  
by  
operator.  
operator.  
Numbers  
Numbers  
on  
on  
per  
per  
car  
car  
basis

basis

Hypothetical Combined Example  
Hypothetical Combined Example  
16  
\$100  
mm  
of  
Invested  
Equity:  
75%  
Allocated  
to  
Medallions  
and

25%  
to  
Fleet  
Management  
\$ in millions, except per share data  
Taxicab Fleet  
Medallions  
Management  
Total  
Invested Equity (1)  
\$ 75  
\$ 25  
\$ 100  
Debt (1)  
\$ 150  
\$ 25  
\$ 175  
Acquired Value  
\$ 225  
\$ 50  
\$ 275  
Pro Forma Revenue  
\$ 11  
(1)  
\$ 130  
(1)  
\$ 141  
Net Income Margin Range  
12% -  
17%  
Pro Forma Net Income  
\$ 20  
(1)  
Pro Forma Earnings Per Share  
\$ 2.04  
(1)  
Return on Equity  
20.5%  
(1)  
Medallion Appreciation Range  
4.9% -  
9.8%  
(1)  
ROE With Increase in Value Through Medallion Appreciation  
31.5% -  
42.5%

In considering a medallion purchase in individual markets, our management team will, as illustrated by the table below, assess the return profile from the assets taking into account lease income that may be earned from the medallion, availability and cost of debt financing and the potential for appreciation in medallion prices based on the historical record in the market:

Note (1): All financial numbers assume equity is fully deployed with 75% allocated to medallion acquisitions (40% in New York City and 35% in other markets) and 25% to purchases of taxi fleet managers. Leverage on medallions is assumed to be 2:1 debt to equity and 1:1 for debt to equity. (i) applies the average lease income yield across markets with \$78,000 of revenues per acquired taxi lease, (ii) applies the mid-point of estimated medallion valuations, (iii) divides pro forma net income by \$100 mm of deployed capital, (v) assumes 9.8% represents long-term average and that 4.9% represents the cost of capital. Note: This hypothetical is an example of the type of analysis Medallion Management's management team might perform in all cases that may be pursued by Medallion management, is for illustrative purposes only, does not represent actual or expected returns from these medallions. Management's actual allocation of capital, ability to secure leases for the medallions, achieve anticipated lease revenues, the cost of capital, and the value of the medallions. There can be no assurance that medallions valuations will continue to increase at historical rates or at all in as much as they have increased and may decline again. Actual returns will depend on Medallion Management's ability to purchase fleet operations, lease the medallions, and the value of the medallions. For a discussion of risks that may affect our businesses, please see slide 1 and the section entitled "Risk Factors" in our Proxy Statement.

Selective use of leverage

Medallions can be financed at between 2x and 5x leverage at attractive rates

Many banks, conduits and Medallion Financial are active lenders

Anticipate paying quarterly cash dividends upon commencement of the first fleet medallion acquisition

Most

if

not

all

of

the

initial

dividends

attributed

to

medallion

ownership

will

not be taxed on a current basis

Dividends are a return of capital to the extent the taxable income is less than zero due

to the depreciation of the taxi medallions for tax purposes

Substantial portion of our quarterly distributions is not expected to be made out of

our taxable net income and will not result in immediate taxable income to U.S.

taxpayers

Financing and Dividend Policy

Financing and Dividend Policy

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Dividend Yield Analysis

Dividend Yield Analysis

Once  
capital

is  
fully

deployed,

Medallion

Management

anticipates

paying

out

about 25%-50% of its Operating Net Income to shareholders as a dividend

This payout ratio implies a dividend yield of 5.1% to 10.2%, as compared to trust value of \$9.96 per share

5.1%

6.1%

7.2%

8.2%

9.2%

10.2%

0%

2%

4%

6%

8%

10%

12%

25%

30%

35%

40%

45%

50%

S&P 500 Avg.

dividend of 2.2%

Net Income Payout

Net Income Payout

Dividend Yield

Dividend Yield

18

Superior and relatively uncorrelated asset returns available to owners with historical ROEs of over 30%

Only public company to primarily own and operate medallions

Attractive ancillary business opportunities exist across the taxicab industry

Advantageous tax treatment of medallions enables favorable distributable income

Substantial founder investment with strong alignment of interests

Proprietary access to the medallion market; local presence in key markets

Respected management team with nearly 100 years of combined experience in the taxicab industry

Investment Conclusions

Investment Conclusions

19

Appendix  
Appendix  
20

Summary Financial Overview

Summary Financial Overview

21

(numbers in millions, except per share values)

No Share Conversion

\$100 mm Cash

Amount in Trust -

Pre Fees and Conversions

214.8

214.8

214.8

Less: Amount Paid Out for Share Conversion

-

-	
114.8	
Amount in Trust -	
Pre Fees	
214.8	
214.8	
100.0	
Less: Estimated Transaction Expenses	
(1)	
-	
6.1	
5.1	
Amount in Trust -	
Pro Forma	
214.8	
208.6	
94.9	
Shares Outstanding	
(2)	
21.6	
21.6	
10.0	
Trust Value per Share	
9.96	
\$	
9.67	
\$	
9.45	
\$	
Market Value per Share	
(3)	
9.90	
\$	
Trust Value Per Share vs. Pro Forma Trust Value Per Share	
Equivalent IPO Gross Spread	
(4)	
3.0%	
5.1%	
Multiple of Pro Forma Cash Per Share	
(5)	
1.03x	
1.05x	
Notes	
(1) Represents fees payable at close	
(2) Shares outstanding following the transaction includes 25,000	
previously issued shares	
(3) Share price as of November 30, 2009	
(4) Represents the percentage discount of the pro forma trust value per share relative to current trust value	
(5) Represents ratio of current trust value per share to pro forma trust value per share	
Trust Value at Conversion	

Trust Value at  
November 30, 2009

Warrant Amendment  
Warrant Amendment  
Restructuring  
terms  
of  
the  
warrants  
for  
the  
benefit  
of  
shareholders

Increase exercise price from \$7.00 to \$12.00



Extend maturity by three years to 2015

Increase

redemption

call

price

from

\$14.25

to

\$18.75

for

IPO

warrants

Prohibition of cashless exercise for IPO warrants

Following

the

transaction

there

will

be

27.6

million

warrants

outstanding

Warrants

provide

new

equity

capital

at

a

20%+

premium

to

current

trust

value

per

share

Transaction

requires

approval

of

a

majority

of

warrant

holders

22

Taxicab Facts in NYC  
Taxicab Facts in NYC  
There  
are  
more  
than  
470,000  
taxi  
trips  
per  
day  
More  
than

85%  
of  
all  
taxi  
trips  
begin  
or  
end  
in  
Manhattan;  
at  
some  
times  
of  
the  
day,  
more  
than  
half  
of  
all  
vehicles  
in  
Midtown  
are  
yellow  
cabs  
Passengers  
spend  
more  
than  
\$2  
billion  
on  
taxi  
fares  
each  
year  
Taxis  
generate  
tens  
of  
thousands  
of  
jobs  
Current  
taxi  
ridership  
stands  
at

approximately

240

million

passengers

making

more

than

170

million

medallion-cab

trips

per

year

Source: Taxi 07: Roads Forward

23

Symbol: HMR  
Symbol: HMR  
24